

January 31, 2007

Ms. Tracie Billington  
Department of Water Resources  
Planning Division  
PO Box 942836  
Sacramento, CA 94283

**Via: Hand Delivery at 1/31/07 DWR Meeting and US Mail**

***RE: Department of Water Resources January 19<sup>th</sup>, 2007 Proposal to  
Abandon Proposition 50 Second Funding Cycle Application Process***

Dear Ms. Billington,

I am writing on behalf of the Board of Directors of Olivenhain Municipal Water District to oppose the Department of Water Resources (DWR) recent staff proposal to abandon the Proposition 50 second funding cycle application process. The Olivenhain Municipal Water District is a water agency serving approximately 60,000 people in north San Diego County and is a member agency of the San Diego County Water Authority, the region's wholesaler. Olivenhain Municipal Water District, along with the rest of the member agencies that serve the remaining 3 million people in San Diego County, have critical water management projects that will be intentionally shut-out of receiving Proposition 50 funds if the recommendation announced by DWR staff to abandon Cycle 2 funding of Proposition Funding on January 19<sup>th</sup>, 2007 takes place. This would be contrary to the will of the voters that passed Proposition 50.

Olivenhain Municipal Water District is a participant in the San Diego Region IRWM plan, currently under development. This is the region's first ever IRWM Plan, the purpose of which is to prepare for the Prop. 50 funding applications. The Olivenhain Municipal Water District has a representative on the Regional Advisory Committee, comprised of 24 representatives from the water management areas of water supply, water quality, and natural resources. We have been excited about the long-term prospects of integrated regional water planning in San Diego. The San Diego group is on schedule to release a draft of their plan to the public for review in March and to adopt the plan by mid-2007.

DWR staff's recommendation to abandon the Proposition 50 second funding cycle application process is inconsistent with the November 2004 Grant Program Guidelines issued by DWR. The November 2004 Guidelines were prepared with extensive stakeholder input and clearly state that there would be two open and competitive funding cycles. Agencies awaiting the Cycle 2 process have spent large sums of time and money in reliance upon published program guidelines and schedules. DWR staff and Water Board staff proposal to allocate \$120 million in Cycle 2 funds to the Cycle 1 applicants is inconsistent with the November 2004 Grant Program Guidelines. If DWR were to abandon Cycle 2 funds, those regions that detrimentally relied on the DWR issued funding guidelines and the public statements of DWR that there would be Cycle 2 funds available, would be irreparably harmed.

Even up until November 16, 2006, DWR was stating publicly that there would be a second funding cycle. The San Diego Region would not have wasted its time, resources, and money pursuing the Cycle 2 funds had it known Cycle 2 funding would be unavailable to them. While simply passing the funds on to Cycle 1 applicants would be the easiest for DWR in terms of time and effort, it is not the equitable nor responsible action to take. Water agencies in California take their lead and example from DWR. DWR needs to be accountable for the standards and guidelines that it publishes and adhere to them. As such, DWR should not abandon the Proposition 50 Cycle 2 funding process.

Thank you for the opportunity to comment.

Very Truly Yours,

OLIVENHAIN MUNICIPAL WATER DISTRICT  
Kimberly A. Thorner, Esq.  
General Manager

Cc: Olivenhain Municipal Water District Board of Directors